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INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Czechoslovakia	REPORT	
SUBJECT	Metallurgical Products Handled by Ferromet	DATE DISTR.	21 June 1955
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SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

1. Whereas in autumn 1953 Ferromet, foreign trade corporation, could only offer for export chains and nails, it can now offer a variety of iron and steel products, and it is planning an expansion program which will greatly increase the range and quality of exports to the West.

2. At present the Czechs are manufacturing for export only seamless tubes (diameter ½-6 inches), but they are shortly to undertake the manufacture for export of welded tubes (diameter ½-2 inches). The diameter of the latter will be increased as soon as is practicable. Sections (angles, etc.) are at present only manufactured in millimeter dimensions, but they will shortly be turned out in inches in order to stimulate exports.

3. Sheets are at present manufactured in thicknesses of 8, 10, 12, 14, and 16 millimeters; it is possible that these thicknesses will be exceeded in the near future.

4. Galvanizing work is still of a very low quality. Representatives of Ferromet have recently stated that the whole of the equipment for galvanizing in Czechoslovakia will shortly be renewed. At present, in wire products, only hard bright drawn wire can be exported; there is no galvanized wire of any kind for export.

5. The Czechs are very anxious to acquire a suitable plant for tight rolling of hexagonal wire netting. They are unable to turn out high-quality wire of this kind with their present equipment. No wire of any kind is being quoted for export before the end of the third quarter of 1955.

6. At present there are only some 700 tons of heavy plates for export. Ferromet representatives have recently stated that they hope this quantity will be greatly increased in the near future.

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8. Ferromet is interested in compensation business; e.g., it is prepared to offer to firms who will take quantities of a commodity connected with the oil business (Ferromet representatives will not state what this commodity is, but it is inferred that it is a chemical of some kind) a discount of £5 a ton on Ferromet's iron and steel products.

9. It appears that in the Czech iron and steel industry a system has been introduced whereby only one simple type of product is produced in any one workshop in order to facilitate training of unskilled workers. For instance, when a client requested that bars, which were on order from Ferromet, should be bent and not straight, as in the original order, he was told that this could not be done since the factory where the bars were being made had no equipment for bending; he was given to understand that this principle was being applied to the whole of the industry.

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